



**MOTION PICTURE ASSOCIATION**

**TESTIMONY OF ANGELA MIELE**

**VICE PRESIDENT**

**STATE GOVERNMENT AFFAIRS AND STATE TAX POLICY**

**MOTION PICTURE ASSOCIATION**

**SUBMITTED TO**

**THE CONNECTICUT GENERAL ASSEMBLY**

**COMMITTEE ON ENERGY & TECHNOLOGY**

**TUESDAY, MARCH 8 2022**

**STATE CAPITOL**

**HARTFORD, CONNECTICUT 06106**

**AN ACT REQUIRING MULTICHANNEL VIDEO PROGRAMMING DISTRIBUTORS  
TO PAY A COMMUNITY ACCESS PROGRAMMING FEE. SENATE BILL NO 278  
(RAISED)**

CHAIRMEN NEEDLEMEN, ARCONTI AND MEMBERS OF THE COMMITTEE, THANK YOU FOR THE OPPORTUNITY TO SUBMIT WRITTEN TESTIMONY IN OPPOSITION TO SENATE BILL NO 278 (RAISED), WHICH WOULD CREATE A NEW MINIMUM \$5 ANNUAL FEE ON EACH SUBSCRIPTION TO VIDEO STREAMING SERVICES TO PAY FOR COMMUNITY ACCESS PROGRAMMING AND OPERATIONS.

THE MOTION PICTURE ASSOCIATION'S (MPA) MEMBERS ARE THE LEADING PRODUCERS AND DISTRIBUTORS OF MOTION PICTURES, TELEVISION PROGRAMS, AND STREAMING PRODUCTIONS WORLDWIDE. MEMBERS INCLUDE THE WALT DISNEY COMPANY, PARAMOUNT GLOBAL, SONY PICTURES ENTERTAINMENT INC., NETFLIX STUDIOS, UNIVERSAL STUDIOS LLLP AND WARNER BROS. MPA MEMBER COMPANY BUSINESSES ALSO INCLUDE STREAMING SERVICES LIKE NETFLIX, HULU, DISNEY+, PARAMOUNT+, HBO MAX, AND PEACOCK.

OUR MEMBER COMPANIES' STREAMING SERVICES OPERATE OVER THE PUBLIC INTERNET IN THE SAME WAY EVERY OTHER WEBSITE IS OPERATED BY ANY BUSINESS IN CONNECTICUT. MPA RESPECTFULLY OPPOSES SENATE BILL NO 278 (RAISED) BECAUSE IT WOULD CREATE ONEROUS AND DUPLICATIVE FEES FOR CONSUMERS OF STREAMING SERVICES IN CONNECTICUT.

CONCEIVABLY, CONNECTICUT RESIDENTS COULD PAY \$100 OR MORE IN SERVICE FEES BY SUBSCRIBING TO MULTIPLE

SERIES, AS THE FEE WOULD BE ASSESSED ON EACH SUBSCRIPTION SERVICE.

AS YOU MAY BE AWARE, IN OCTOBER 2019, CONNECTICUT SIGNIFICANTLY INCREASED SALES TAXES FOR STATE RESIDENTS PURCHASING DIGITAL GOODS AND SERVICES (INCLUDING DIGITAL AUDIO-VISUAL DOWNLOADS), HIKING THE RATE FROM 1% TO 6.35%.

TO ASK CONNECTICUT RESIDENTS TO PAY AN *ADDITIONAL* \$5 MINIMUM FEE *EACH YEAR* FOR EACH SUBSCRIPTION *ON TOP OF THIS* TAX INCREASE WOULD UNFAIRLY BURDEN THE MANY STATE RESIDENTS WHO SUBSCRIBE TO VIDEO STREAMING SERVICES.

AS YOU KNOW, COMMUNITY ACCESS TELEVISION WAS CREATED TO BRING PUBLIC, EDUCATION AND GOVERNMENT CHANNELS THROUGH CABLE TELEVISION LANDLINE SUBSCRIPTIONS.

NEARLY ALL SUBSCRIBERS TO INTERNET STREAMING SERVICES RECEIVE THOSE SERVICES OVER-THE-AIR, EITHER BY WIFI OR DIRECT FROM THEIR CELLULAR SERVICE PROVIDER. ACCORDINGLY, STREAMING SERVICES HAVE NO CONNECTION TO COMMUNITY ACCESS TELEVISION.

WE RESPECTFULLY SUBMIT THAT, UNDER SENATE BILL NO 278 (RAISED) SOME CONNECTICUT CONSUMERS FACE THE REALITY OF BEING DOUBLE OR TRIPLE TAXED UNDER SENATE BILL NO 278 (RAISED).

CONSUMERS WHO PURCHASE BOTH CABLE AND INTERNET PACKAGES ARE ALREADY PAYING A LOCAL FRANCHISE FEE EVERY MONTH. IF YOUR CONSTITUENT ALSO SUBSCRIBES

TO SERVICES LIKE DISNEY+, NETFLIX, HULU, PARAMOUNT+ HBO MAX OR PEACOCK, THEY WOULD PAY AN ADDITIONAL ANNUAL FEE ON EACH OF THOSE ENTERTAINMENT SERVICES.

NO OTHER STATE IN THE NATION HAS PASSED SIMILAR LEGISLATION. IN FACT, MISSOURI AND MASSACHUSETTS CONSIDERED SIMILAR LEGISLATIVE MEASURES, WHICH WERE REJECTED AT THE COMMITTEE LEVEL DUE TO THE ONEROUS NATURE OF THE TAX.

THIS BILL IS OVERREACHING AND IMPOSES DUPLICATIVE TAXES ON YOUR CONSTITUENTS WHO MAY SUBSCRIBE TO VIDEO STREAMING SERVICES. ESPECIALLY THE MANY STATE RESIDENTS WHO ARE *ALREADY PAYING* A FEE TOWARD COMMUNITY ACCESS PROGRAMMING THROUGH THEIR CABLE TELEVISION SUBSCRIPTION.

FOR THESE REASONS, CHAIRMEN AND MEMBERS OF THE COMMITTEE, WE URGE YOU TO REJECT SENATE BILL NO 278 (RAISED).

PLEASE CONTACT ME IF YOU HAVE ANY QUESTIONS AT 202-669-4862 OR THE MPA'S LEGISLATIVE ADVOCATE LINDA ALOE SOBIN AT 860-202-4104.